

Message Text

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ACTION EB-11

INFO OCT-01 NEA-10 ADP-00 CAB-09 CIAE-00 COME-00 DODE-00

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R 301307 Z MAR 73

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC 3464

INFO AMCONSUL BOMBAY

AMCONSUL CALCUTTA

AMCONSUL MADRAS

AMEMBASSY BEIRUT

C O N F I D E N T I A L NEW DELHI 3657

BEIRUT FOR RCAA

E. O. 11652: GDS

TAGS: ETRN, IN

SUBJ: CIVAIR: GOI DISCRIMINATORY FOREIGN EXCHANGE REGULATION

REF: NEW DELHI 4271 (6 APRIL 72) AND PREVIOUS

1. AMARJIT SINGH, TWA MANAGER IN DELHI, CALLED AT EMBASSY MARCH 14. SINGH SAID HE HAS RELIABLE INFORMATION THAT INDIAN AUTHORITIES ALREADY IMPLEMENTING NEW POLICY CONNECTED WITH EXCHANGE REGULATIONS WHICH DISCRIMINATES AGAINST FOREIGN AIR CARRIERS.

2. SINGH SAID NEW POLICY INVOLVES GIT (GROUP INCLUSIVE TOUR). HE SAID THAT UNDER IATA RULES, CARRIER MAY OFFER GIT TO GROUP OF 15 OR MORE PASSENGERS WHO PURCHASE FROM CARRIER OR AGENT IN ADVANCE AIR TICKET AND SPECIFIED MINIMUM " GROUND TRANSPORTATION", I. E., HOTEL AND SIGHT-SEEING AT DESTINATION. SINGH SAID THAT WHEN GIT OF INDIAN RESIDENTS IS FORMED, REQUEST FOR CONVERSION OF RUPEES INTO HARD CURRENCY (P- FORM) IS SUBMITTED TO RESERVE BANK OF INDIA IN EACH PASSENGER'S NAME.

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ACCORDING TO SINGH, RESERVE BANK OF INDIA CURRENTLY APPROVING P- FORMS FOR \$100 POCKET MONEY (REFTEL) FOR EACH TRAVELER, PLUS - AND THIS IS NEW ELEMENT - MISCELLANEOUS CHARGES ORDER (MCO) COVERING COST OF " GROUND TRANSPORTATION" FOR GIT TRAVELERS. SINGH SAYS RBI HAS ESTABLISHED LIMIT ON MCO' S OF \$350 PER TRAVELER TO UNITED STATES, \$200 TO EUROPE, AND \$150 TO FAR EAS T. DISCRIMINATION ARISES IN THAT RBI APPROVES ONLY P- FORMS SUBMITTED FOR TRAVEL ON AIR- INDIA. RESULT IS THAT AIR INDIA CAN OFFER INDIAN RESIDENT WHO IS SUBJECT TO STRINGENT GOI EXCHANGE CONTROL RIGHT TO CONVERT UP TO \$450 WORTH OF RUPEES PER TRIP, WHILE FOREIGN CARRIER CANNOT LEGALLY OFFER ANYTHING.

3. WHILE TWA CATEGORICAL IN ASSERTION THAT ORDER HAS BEEN ISSUED TO AIR- INDIA AGENTS TO IMPLEMENT SCHEME, PANAM HAS NO RPT NO INFORMATION ABOUT ALLEGED CHANGE IN INDIAN REGULATIONS. FOR EMBASSY' S PART, WE WOULD BE SURPRISED IF INDIANS HAVE DECIDED TO GO FURTHER DOWN SAME ROAD WHICH IN PAST HAS PRODUCED WIDESPREAD ILLEGAL RETALIATION (PARA 3 REFTEL). IF TWA REPORT IS ACCURATE, NEW POLICY WOULD CONSTITUTE SIGNIFICANT DETERIORATION OF ALREADY UNSATISFACTORY ENVIRONMENT IN WHICH US CARRIERS OPERATE HERE. ALTHOUGH EMBASSY NOT RPT NOT OPTIMISTIC ABOUT CHANCES FOR INFLUENCING GOI POLICY IN DIRECTION HELPFUL TO US CARRIERS, WE REQUEST DEPARTMENT CONCURRENCE IN LOW- KEY APPROACH TO MINISTRY OF FINANCE TO ASCERTAIN FACTS AND REGISTER, IF APPROPRIATE, USG CONCERN.
MOYNIHAN

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